

**STATE OF MINNESOTA
BOARD OF ACCOUNTANCY**

In the Matter of the CPA Certificate of

William R Feldmann
CPA Certificate No. 25694

**STIPULATION AND
CONSENT ORDER**

Board File No. 2024-041

STIPULATION

William Feldmann ("Respondent") and the Minnesota Board of Accountancy's Complaint Committee stipulate that, subject to Board's review and discretionary approval, the Board may issue a consent order that imposes the following sanctions:

A. Respondent's CPA Certificate, No. 25694, is CENSURED and REPRIMANDED pursuant to Minn. Stat. § 326A.08 (2022).

B. Respondent shall pay to the Board a CIVIL PENALTY of Thirty Thousand Dollars (\$30,000). Respondent shall submit the civil penalty by check to the Board within sixty (60) days of the Board's approval of this Stipulation and Consent Order.

C. Respondent shall, at Respondent's expense, complete the National Association of State Boards of Accountancy Center for Public Trust Ethics Training, with a required passing score of no less than 80%. Respondent shall submit documentation of course completion to the Board within sixty days of the Board's approval of this Stipulation and Consent Order.

D. Respondent shall comply with all statutes and rules within the Board's jurisdiction. See Minn. Stat. ch. 326A (2022) and Minn. R. ch. 1105 (2023).

E. Respondent shall report in writing within ten days any violations of this stipulation and consent order to the Board's Executive Director.

Respondent and the Committee enter into this stipulation based on the following findings of fact, conclusions of law, and other stipulated provisions:

Findings of Fact

1. The Board issued Respondent a CPA certificate on December 4, 2009.
2. Respondent was employed by a registered accounting practitioner ("RAP") firm (herein known as "former employer") until November 30, 2023.
3. After Respondent left his employment, his former employer discovered that the Respondent had copied client files without permission.
4. The former employer contacted its information technology company (herein known as "IT company") to run a forensic report on the Respondent's work computer.
5. The Owner of the former employer reached out to the Respondent and told him to return all digital and physical information that he took from the former employer by December 5, 2023.
6. Respondent returned a flash drive containing copies of the data for 12 clients on December 5, 2023.
7. On the same day, the IT company completed their forensic review and found the following was downloaded from the Respondent's computer via a flash drive:
 - a. Approximately 400 client data backups from the former employer's tax software on November 17, 2023.
 - i. The office was closed that day, but the Respondent was in the office.

ii. Per the former employer, based on security camera footage, Respondent was alone in the office for approximately four hours on that day.

iii. In addition, the Owner found that Respondent did not record any time worked either digitally or on a physical timecard.

b. The entire digital files for 16 clients.

c. Copies of proprietary documents that the former employer had created or purchased (such as the engagement letter and client itemizers).

8. The former employer's lawyer sent a letter to the Respondent regarding the above-mentioned removal of data and detailing the demands of the former employer regarding the data on December 11, 2023. Respondent did not respond.

9. The former employer then hired a data breach lawyer, who reached out to Respondent via mail and email on January 3, 2024. Respondent did not respond to any communication from the data breach attorney.

10. The former employer sent out letters to all clients who were affected by the removal of the data and files, notifying the clients that their information was taken without permission and offering free services through a data breach and credit recovery services company. Since this removal of data without permission involved information for minors as well, an additional letter had to be sent to the parents of the minors.

11. In January 2024, the former employer received a flash drive with the data from Respondent. However, the Respondent had not reached out to either the former employer or the former employer's lawyer on the request that he sign an affidavit stating that the Respondent did not make any copies of the data.

12. Respondent copied or removed data concerning clients from his former employer without permission, affecting 400+ client's private data.

Conclusion of Law

1. The Board has authority to license and regulate certified public accountants and to take disciplinary action as appropriate. Minn. Stat. ch. 326A (2022).
2. Respondent violated Minn. R. 1105.5600, subp. 1(D) and 1105.7800(A) (2023).
3. Respondent is subject to discipline pursuant to Minn. Stat. § 326A.08, subd. 5(a)(1), (2), and (10) (2022).
4. This stipulation and consent order is in the public interest.

Other Stipulated Provisions

1. This stipulation and consent order must be approved by the Board to become effective.
2. Respondent agrees that the Committee may move the Board *ex parte*, with or without advance notice to the Respondent, to approve this stipulation and consent order. Respondent understands that the Board may either approve the stipulation and consent order or not approve it. This stipulation and the files, records, and proceedings associated with this matter may be reviewed by the Board in its consideration of the Committee's motion.
3. If approved by the Board, this stipulation and consent order shall be classified as public data. Minn. Stat. § 13.41, subd. 5 (2022).

4. If the Board does not approve this stipulation and consent order, then the matter remains unresolved and the Committee may either seek to negotiate a revised stipulation and consent order with Respondent to present to the Board or issue an order commencing a contested-case hearing before an Administrative Law Judge at the Office of Administrative Hearings. See Minn. Stat. §§ 14.57–.62, 214.10, subd. 2 (2022) (describing administrative hearing process).

5. Respondent agrees that if this case comes before the Board again after it reviews and discusses this stipulation and consent order, Respondent waives any claim that the Board was prejudiced by its review and discussion of this stipulation and consent order and any records relating to it.

6. Respondent acknowledges that they were advised by the Committee of their right to a contested-case hearing in this matter before an Administrative Law Judge, to file exceptions and make argument to the Board after the hearing, and to seek judicial review from any adverse decision rendered by the Board. Respondent hereby expressly waives those rights. Respondent was further advised by the Committee of their right to be represented by counsel and that they knowingly waive that right.

7. Respondent has read, understands, and agrees to this stipulation and has voluntarily signed it. It is expressly understood that this stipulation contains the entire agreement between the parties, there being no other agreement of any kind, verbal or otherwise. If approved by the Board, a copy of the final stipulation and consent order shall be served personally or by first class mail on Respondent. The Board's order shall be effective when it is signed by the Chair of the Board or the Chair's designee.

8. Pursuant to Minn. Stat. § 16D.13 (2022), any civil penalty imposed by this stipulation and consent order shall begin to accrue simple interest in accordance with that section thirty days after the civil penalty is due. Pursuant to Minn. Stat. § 16D.17 (2022), thirty days after any civil penalty imposed by this stipulation and consent order is due, the Board may file and enforce any unpaid portion of the civil penalty as a judgment against Respondent in district court without further notice or additional proceedings.

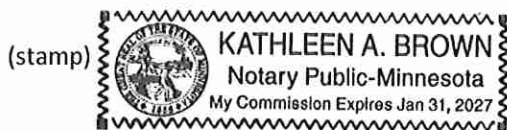


William R Feldmann, CPA

STATE OF MN

COUNTY OF Blue Earth

This instrument was acknowledged before me on 12/4/2024 by William Feldmann.






(Signature of notary officer)

My commission expires: 1/31/2027

COMPLAINT COMMITTEE




ANN ETTER, CPA
Chair

Dated: Dec 19, 2024

CONSENT ORDER

Upon consideration of this stipulation and consent order, and based upon all the files, records, and proceedings herein, all terms of the stipulation and consent order are approved. Accordingly, the Board hereby ADOPTS the stipulation and issues the ORDER described above.

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY


CHARLES SELCER

Dated: 02/05/, 2025

 CHARLES SELCER, CPA
Board Chair